

286.11-041 Suspension or revocation of designation of an agent -- Factors to be considered by commissioner -- Procedure for hearing and appeal upon revocation of designation -- Limitations upon future designation of agent after revocation.

- (1) The commissioner may issue a written order suspending or revoking the designation of an agent if the commissioner finds that:
 - (a) The agent violates this subtitle or a rule adopted or an order issued under this subtitle;
 - (b) The agent does not cooperate with an examination, investigation, or subpoena issued by the commissioner;
 - (c) The agent has engaged in fraud, intentional misrepresentation, or gross negligence;
 - (d) The agent has been convicted of a felony;
 - (e) The agent has been convicted of a misdemeanor related to the business of money transmission;
 - (f) The agent has been convicted of a misdemeanor involving theft, fraud, or breach of trust;
 - (g) The competence, experience, character, or general fitness of the agent or a person in control of the agent indicates that it is not in the public interest to permit the agent to be engaged in the business of money transmission;
 - (h) The agent is engaged in or is engaging in an unsafe or unsound practice;
 - (i) The agent is engaged in, or is engaging in, an unfair and deceptive act or practice as that act or practice relates to the business of money transmission;
 - (j) The agent is insolvent;
 - (k) The agent has applied for an adjudication of bankruptcy, reorganization, arrangement, or other relief under the United States Bankruptcy Code, 11 U.S.C. secs. 101 to 110; or
 - (l) The agent fails to timely remit all money legally due to its licensee as required by this subtitle; or
 - (m) The agent, any executive officer, or other person in control of the agent is listed or become listed on the specially designated nationals and blocked persons list prepared by the United States Department of the Treasury or United States Department of State under Presidential Executive Order No. 13224 as a potential threat to commit terrorist acts or to finance terrorist acts.
- (2) In determining whether an agent is engaging in an unsafe or unsound practice under subsection (1)(h) of this section, the commissioner may consider the size and condition of the agent's provision of money transmissions, the magnitude of the loss, the gravity of the violation of this subtitle, the administrative regulation adopted, or order issued under this subtitle, any action taken by another state or federal government against the agent, or the previous conduct of the agent.
- (3) Any person who has his or her designation as an agent revoked or suspended by the commissioner may file a written application for an administrative hearing in

accordance with KRS Chapter 13B.

- (4) An agent is deemed to have received a copy of the written order of revocation or suspension within three (3) days of its mailing.
- (5) A written application for an appeal shall be made with the commissioner within twenty (20) days of the date of the order of suspension or revocation in good faith and shall briefly state the reason or reasons the agent is aggrieved, together with the grounds to be relied upon.
- (6) The commissioner shall not designate a person as an agent again under this subtitle where the designation of an agent has been revoked, until after three (3) years after the date of revocation, and thereafter, not until the person again qualifies under the applicable provisions of this subtitle. Any person whose designation as an agent has been revoked twice by the commissioner shall be deemed permanently revoked and shall not again be eligible for designation as an agent under this subtitle.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 849, effective July 15, 2010. -- Created 2006 Ky. Acts ch. 247, sec. 21, effective April 24, 2006.

Legislative Research Commission Note (7/12/2006). This section was created in 2006 Ky. Acts ch. 247 as a new section of KRS Chapter 366A. Sec. 38 of that same bill also required that all sections of KRS Chapters 287, 288, 290, 291, 294, 366, 366A, and 368 be renumbered as sections of a single KRS chapter entitled the "Kentucky Financial Services Code." Therefore, the Statute Reviser, acting under KRS 7.136(1), has codified this section as a new section of KRS Chapter 286.